

2009-101 AUDIT SCOPE AND OBJECTIVES—County Welfare Fraud System

The audit by the Bureau of State Audits will provide independently developed and verified information related to California's welfare fraud programs for CalWORKs and the Supplemental Nutrition Assistance Program (SNAP) and will include, but not be limited to, the following:

1. Review and evaluate the laws, rules, and regulations significant to the audit objectives.
2. Determine the fraud prevention, detection, investigation, and prosecution structure for both the CalWORKs program and SNAP at the State and local levels.
3. Identify the number of the Special Investigative Units (SIUs) at the local level and where they reside. For the last three years, determine how much fraud is referred or prosecuted for the two programs and the criteria used to determine when requests for investigations are referred or prosecuted.
4. To the extent possible, calculate at the State and local level, the cost-benefit ratio for the cost of fraud prevention efforts to the amount of fraud identified and moneys collected or denied during the last three years and determine how funds recovered are used.
5. For a sample of counties, including Los Angeles, Riverside, San Diego, and Sacramento, for the most recent year data is available determine the following:
 - a. The number of sworn peace officers at the SIUs and their duties and responsibilities.
 - b. For the CalWORKs program and SNAP, the cost-benefit ratio of funds recovered or denied and the cost of fraud prevention, detection, investigation, and prosecution activities.
 - c. How funds recovered are used.
 - d. The types of early fraud detection or antifraud programs used, and to the extent possible, an estimate of fraud deterred because of these programs.
 - e. To the extent possible, determine whether early fraud detection programs are more cost-effective than after-the-fact investigations and prosecution.
6. Review how other states structure their antifraud efforts and identify successes or best practices and lessons learned. Identify and assess Social Services' justification for continuing to use both the Statewide Fingerprint Imaging System and the Income Eligibility Verification System.